

State of Vermont
Department of Public Service
112 State Street
Montpelier, VT 05620-2601
<http://publicservice.vermont.gov>
email: vtdps@state.vt.us

[phone] 802-828-2811
[fax] 802-828-2342
[tdd] 800-734-8390

VERMONT PUBLIC
SERVICE BOARD

2014 OCT 17 PM 3 22

October 17, 2014

Mrs. Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street
Montpelier, Vermont 05620

Re: Docket 7970 -VGS Addison Expansion-Old Stage Road Re-Route

Dear Mrs. Hudson:

On September 23, 2014, the Board conducted a technical hearing in the above-referenced matter. At issue was a partial re-route of the Project in the area of Old Stage Road in Monkton. The parties who presented evidence at the hearing were the petitioner, Vermont Gas Systems, Inc. ("VGS"), the Department of Public Service (the "Department"), and two affected landowners, Ms. Kristin Lyons ("Lyons") and Mr. Michael Hurlburt, who represents the interests of the Hurlburt family ("Hurlburt"). Having reviewed the record in this matter, the Department recommends that the Board approve the re-route as proposed by VGS.

BACKGROUND

On December 23, 2014, the Public Service Board issued a Certificate of Public Good ("CPG") for Phase I of the Addison Expansion Project. Pursuant to Condition 7 of the CPG, the Board ordered a partial re-route along Old Stage Road in Monkton. In ordering the re-route, the Board directed VGS to "shift the pipeline from the east side of the road (in the Hurlburt property) to the west side of the road (and into the VELCO ROW)." Docket 7970, Order of 12/23/13 at 57-58.

In response to the Board's order, on February 25, 2014, VGS submitted Exhibit Petitioner Post-CPG 3. This Exhibit is a site plan of the Old Stage Road re-route and is sometimes referred to as the "Post-CPG Plan." The Post-CPG Plan involved the property of several newly affected landowners, only one of whom- Lyons-has chosen to participate in this process. In addition to VGS, Lyons, Hurlburt and the Department also submitted prefiled testimony. Lyons and Hurlburt each filed various motions and requests with respect to the Post-CPG Plan and discovery was undertaken by all of the parties. Discussions occurred among VGS, the



Department, Lyons and Hurlburt and an informal site visit was convened. The Department's aesthetics consultant undertook an independent assessment of the affected property along Old Stage Road, to the extent that he had access. On September 23, 2013, an evidentiary hearing was held, as referenced above.

DISCUSSION

First and foremost, VGS undertook the re-route on Old Stage Road pursuant to an order from the Board. The Board conditioned its approval of the petition on this re-route as it found that the "re-route has the same construction cost as the original plan but does not impact higher value agricultural land and takes advantage of the existing VELCO ROW." Order of 12/23/13 at 58. A substantial portion of VGS's proposed re-route, as reflected on the Post-CPG Plan, lies within the VELCO ROW. Moving any additional pipeline off of the Hurlburt property and into the VELCO ROW would involve the notification and impact to additional landowners beyond the number already affected by the Post-CPG Plan. There are also potential issues with constructability and disturbance of natural resources. This deviation from the Board's general directive to "shift the pipeline from the east side of the road (in the Hurlburt property) to the west side of the road (and into the VELCO ROW) is not, in the Department's view, a fatal flaw in the Post-CPG Plan. In responding to an earlier Hurlburt motion in this matter, the Board advised that its December 23 Order and CPG condition were approving "a general re-route that allowed for later changes as needed as part of post-certification review." Docket 7970, Order of April 16, 2014 at 3.

In analyzing the aesthetics impact of the re-route, the Department's main concern was the tree clearing which would be necessitated by moving the pipe from the east to the west side of Old Stage Road. The Department's aesthetics consultant found that the clearing would have an adverse impact on the area in light of the existing rural and unfettered character of the landscape. Mr. Raphael did not, however, find that the impact would be unduly adverse. He found that it would not be shocking or offensive to the average person and that the clearing would not violate any clearly stated local policies. Moreover, careful tree removal practices, which Mr. Raphael recommended, can reduce the potential negative impacts. Finally, Mr. Raphael recommended a post-construction review of the Old Stage Road area to assure that best practices had been employed and to verify that there is still sufficient buffer between the road and the VELCO ROW.

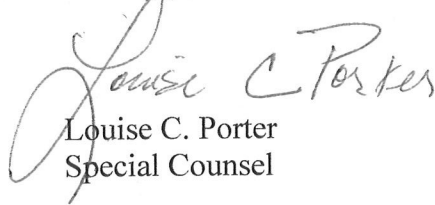
RECOMMENDATION

Based upon a review of the record in this matter and given the CPG condition that the pipeline be re-routed consistent with the Board's December 23, 2013 order, the Department recommends that the Board approve the Post-CPG Plan submitted by Vermont Gas on February 25, 2014. The Post-CPG Plan adheres to the Board's general directive, while making reasonable and appropriate accommodations to other competing interests such as landowner interests, issues of constructability and preservation of natural resources. Consistent with the testimony of the Department's aesthetics expert, the Department further recommends that this approval be conditioned upon a requirement that Vermont Gas employ best practices with respect to the necessary tree clearing and that a post-construction review of this area be undertaken for

purposes of verifying the impacts and assessing if all appropriate mitigation measures have been employed.

Thank you for the opportunity to provide these comments. Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Louise C. Porter". The signature is written in dark ink and is positioned above the printed name and title.

Louise C. Porter
Special Counsel

cc: Service List